

MERRILL MINING, LLC

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ADRAIN TAYLOR
SENIOR VICE PRESIDENT

December 14, 2001

Ms. Laura Bose
Manager, Ground Water Office
United States Environmental Protection Agency
Region IX
75 Hawthorne Street
San Francisco, California 94105

Re: Transfer of UIC Permit #AZ39600001

Dear Ms. Bose:

On behalf of Merrill Mining LLC, let me thank you for the assistance that your office provided in transferring the referenced permit from BHP Copper, Inc. to Florence Copper, Inc. We were able to complete the process of transferring all environmental permits, the Mined Land Reclamation Plan, and the State Mineral Lease for the Florence In-situ Mine Project from BHP Copper to Florence Copper Inc. on December 5, 2001, at which time Merrill Mining became the sole owner of all Florence Copper's stock.

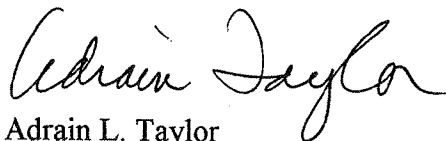
All of us at Merrill Mining recognize that we would not be the proud owners of the Florence Copper mine without the assistance that your office provided during the long and often complicated transfer process. I am especially familiar with the work of Ms. Shannon FitzGerald and Mr. Martin Zeleznik and believe they should be commended for their attention to regulatory detail and their timely responses to our requests.

As I have previously discussed with Mr. Zeleznik, Merrill Mining intends to begin construction and operation of the permitted facility as soon as copper prices permit and to do so in a manner that will protect the environment and benefit the economy.

We look forward to working with you in the future.

Sincerely,

MERRILL MINING LLC



Adrain L. Taylor
Senior Vice President

cc: Ms. Alexis Strauss, Director, Water Division
Mr. Martin Zeleznik, Environmental Protection Specialist, Ground Water Office
Ms. Shannon FitzGerald, Environmental Scientist, Ground Water Office